

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512**NOTICE OF RECEIPT
APPLICATION FOR SMALL POWER PLANT EXEMPTION (07-SPPE-2)
ORANGE GROVE POWER PLANT PROJECT**

On July 19, 2007, Orange Grove Energy, L.P. (OGE) filed an application for a Small Power Plant Exemption (SPPE). OGE is seeking an exemption from the California Energy Commission's licensing requirements. If an exemption is granted, the applicant would need to secure the appropriate licenses and permits for the project from various local, state and federal agencies.

The proposed project is designed as a peaking facility and would consist of a 96 megawatts (MW) simple-cycle power plant to be constructed in northern San Diego County. Under an agreement with San Diego Gas & Electric (SDG&E), OGE will be responsible for construction of the plant and the electric transmission line interconnection between the power plant and SDG&E's existing Pala substation boundary. OGE will operate the plant under a tolling agreement, generating electrical power for SDG&E.

The proposed project site would occupy 8.5 acres within a 220-acre property located off Pala Del Norte Road, approximately 5 miles northeast of I-5 on SR-76, which is two miles west of the community of Pala and 16 miles east of Fallbrook in an unincorporated area of San Diego County. The site and overall property are owned by SDG&E and a lease agreement with OGE for the land to be occupied is being held in escrow. The property is currently zoned General Agricultural (A72) in the county general plan which would accommodate the construction of a power plant. An inactive citrus grove currently occupies the site.

The proposed project will consist of two 50 MW GE LM6000 PC SPRINT combustion turbine generators (CTG) and will be fueled with natural gas delivered to the site via a new 2-mile extension of an existing SDG&E gas line. The project will also feature a new gas metering station on-site. The CTGs will be equipped with GE's SPRay-INTercooled (SPRINT) power boost technology to increase output from the plant during very warm conditions. Demineralized water is injected into the compressor section of the engines, which reduces the heat of compression, resulting in increased power output. This system is coupled with an air inlet system enhanced with chilled water to cool the inlet air to the combustion turbines and maintain the desired output during hot weather conditions. Water needs for the project would be supplied by the Rainbow Municipal Water District via 1.5 miles of new underground pipelines. The proposed maximum water usage is estimated to be 117 acre-feet annually.

Air emissions from the proposed facility would be controlled using best available control technology applied to each engine's exhaust. Water injection is used to achieve low oxides of nitrogen (NOx) levels. In addition, each CTG would be equipped with a carbon monoxide (CO) oxidation catalyst as well as an aqueous ammonia selective catalytic reduction system that will further reduce emissions. Final permitting by the Energy Commission would reflect conformance with rules and regulations of the San Diego Air Pollution Control District.

The Energy Commission is responsible for reviewing, and ultimately approving or denying, all thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's SPPE process allows projects between 50 and 100 MW to proceed with local approval rather than requiring an Energy Commission license. An exemption from this licensing process is available if the Energy Commission finds that the project would not create a significant adverse impact on the environment or energy resources. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA) responsible for preparing an Initial Study. If warranted, the Commission will prepare a Mitigated Negative Declaration that examines public health and safety, and environmental impacts of the proposed project including all related facilities such as electric transmission lines, natural gas and water pipelines.

PUBLIC PARTICIPATION

Over the next few months, the Energy Commission will conduct a number of public workshops and hearings to determine whether the exemption request should be approved and under what, if any, set of conditions. These workshops provide the public and local, state and federal agencies the opportunity to ask questions and provide input about the proposed project. The Energy Commission will issue notices for these workshops and hearings no later than 10 days prior to the event. If you are not currently receiving these notices and want to be placed on the mailing list, please contact Angela Hockaday, Project Secretary, at (916) 654-3925 or by email at ahockada@energy.state.ca.us.

If you would like information on how to participate in the Energy Commission's review process for the proposed project, please contact the Energy Commission's Public Adviser's Office at (916) 654-4489 or toll free in California at (800) 822-6228.

Technical or project schedule questions should be directed to Felicia Miller, Project Manager at (916) 654-4640 or by e-mail to fmiller@energy.state.ca.us. The status of the project, copies of notices, the SPPE application and other relevant documents will be placed on the Energy Commission's web site at <http://www.energy.ca.gov/sitingcases/orangegrove>.

This notice of receipt has been mailed to all parties that have requested to be placed on the mailing list during pre-filing and to property owners located within 1000 feet of the project site or any of the project-related facilities. By being on the mailing list, you will receive notices of all project-related activities and notice when documents related to the project's review are available. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/html/listservers.html>. If you want your name removed from the mailing list, please contact Angela Hockaday, Project Secretary at (916) 654-3925 or by email at ahockada@energy.state.ca.us.

A copy of the SPPE application document is available for public inspection at the following locations:

City of San Diego
Central Library
820 E Street
San Diego, CA 92101-6478

San Diego County Library
Fallbrook Branch
124 S. Mission Road
Fallbrook, CA 92028

San Diego County Library
Vista Branch
700 Eucalyptus Avenue
Vista, CA 92084

San Diego County Library
Valley Center Branch
29200 Cole Grade Road
Valley Center, CA 92082

San Diego County Library
San Marcos Branch
#2 Civic Center Drive
San Marcos, CA 92069

Temecula Co. Center Library
41000 Co. Library Center Dr.
Temecula, CA 92591

Copies are also available at the Energy Commission's Library in Sacramento, the California State Library in Sacramento, and at public libraries in Eureka, Fresno, Los Angeles, San Diego, and San Francisco. In addition, copies have been distributed to those public agencies that would retain jurisdiction if an exemption is granted by the Energy Commission.

DATE: August 1, 2007

Signed
ROGER E. JOHNSON, Manager
Energy Facilities Siting & Compliance Office

Mailed to the Orange Grove Project mailing lists.

**Please send me a copy (paper or CD) of the Orange Grove Project
Application for Small Power Plant Exemption (SPPE).**

Name:

Address:

City/State/Zip:

FOLD HERE

California Energy Commission
Attention: Angela Hockaday
1516 Ninth Street, MS-15
Sacramento, CA 95814-5512

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